Subsidy to private power companies

1097. SHRI SANJAY RAUT: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that some private power companies have demanded subsidy and concession etc. for participating in Ultra Mega Power Projects; and

(b) if so, the details thereof and Government's response thereto?

THE MINISTER OF POWER (SHRI SUSHIL KUMAR SHINDE): (a) and (b) Yes, Sir. The following suggestions have been made by the industry leaders:

(i) A suitable framework to be evolved for granting Mega Power Project status and corresponding fiscal benefits to Ultra Mega Projects.

(ii) Debt equity ratio considered for Ultra Mega Power Projects could be higher than 70:30 as this would have a positive impact on the tariff.

(iii) Matter regarding sectoral cap on exposure for each sector in term of funding to be taken up with RBI so as to facilitate funding of Ultra Mega Power Projects.

(iv) Some States were charging a tax on auxiliary consumption which needs to be exempted for Ultra Mega Power Projects in addition to sales tax exemption.

(v) Section 80IA and Section 10(23) (G) of Income Tax Act 1963 must be applicable for Ultra Mega Power Projects.

The suggestions of IPPs have been noted for consideration.

Completion of Suban City Lower and Tista-V Power Projects

†1098. SHRI HARISH RAWAT: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Suban City Lower Project in Arunachal Pradesh and Tista-V Project in Sikkim is being constructed by the Alsthom and Jaiprakash Association Companies respectively;

† Original notice of the question was received in Hindi.